

COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT
Regular Meeting
January 21, 2016

A. CONVENE MEETING

The Regular Meeting of the Board of Directors of the Columbia River PUD was called to order by President, David Baker, at the Deer Island District Office at 6:00 p.m. The following individuals were present:

Directors:

David Baker
Jake Carter
Craig Melton
Harry Price – via telephone
Richard Simpson

Consultants:

Philip Griffin, Attorney

Staff:

Becky Anicker, Customer Accounts
Libby Calnon, Communications Specialist
Rick Calnon, IT
Eli Crape, Operations
Tim Lammers, Energy Services
John Nguyen, Interim General Manager
Tracy Pinder, Accountant II
Heidi Ralls, Administration
Branden Staehely, Engineering
Sonia Wendelschafer, Human Resources

Public:

Joe Baker	Danette Carter	Jack Carter
Sharon Carter	Todd Cathers	Lewis Cutler
Dave Ehrenkranz	Kevin Engstrom	Debbie Esterline
Mary Fawcett	David Graham	Mark Hamlin
Jerry Hickey	Kathy Hoffman	Judi Kellar
Ian Lamma	Michelle Lamma	Joanne Lammers
Mark Larson	Joe Lewis	Darlene Marquardt
Jim Marquardt	Ronda Melton	Kimberlee Morrow
Jared Motherway	Annie Nguyen	John & Kathy Odenthal
Don Patterson – Chronicle	Colleen Pellham	Brady Preheim
Casey Rea	Mary Jo Simpson	Joan Thackery
Russ Thackery	Debbie Wanke	Nancy Ward
Travis Weber	Donna Williams	Andrew Wendelschafer
Courtney Vaughn – Spotlight		

1. Election of Officers:

Directors R. Simpson/C. Melton moved to nominate Jake Carter as President.

Vote: Unanimously approved

The meeting continued with Director Carter presiding as President.

Directors D. Baker/R. Simpson moved to nominate Harry Price as Vice President.

Vote: Unanimously approved

Directors D. Baker/R. Simpson moved to nominate Craig Melton as Treasurer. Discussion occurred on a Director serving in the same capacity more than one year.

Vote: Unanimously approved

Directors R. Simpson/C. Melton moved to nominate Heidi Ralls as Secretary.

Vote: Unanimously approved

2. **Agenda – Requests for Additions or Deletions:** President Carter noted that Action Item 9: December 21, 2015 Windstorm Outage Related Expenses, would be added to the agenda.
3. **Public Comment:** John Odenthal reported the date he referenced in the letter to the editor published in the Spotlight was correct, the newspaper apologized to him and will make the correction. The paper also corrected the name from “Harold” Price to “Harry” Price. He noted an Editor can make any changes to letters sent in to him.

Joe Lewis thanked the crews for continued good work during this last storm and in years past. He recognized the difficulty of being an elected official and urged the Board to pay attention to public meetings law.

Brady Preheim requested an update on the staff survey suggested at the last Board meeting? J. Nguyen indicated he is planning to conduct a confidential survey in the near future.

B. ITEMS FOR ACTION

1. **Minutes, December 15, 2015 Regular Meeting:** Directors D. Baker/R. Simpson moved to approve the Minutes of the December 15, 2015 Regular Meeting as presented.
Vote: Unanimously approved
2. **Financials:** T. Pinder noted that the December 2015 Year-End financial reports (balance sheet & income statement) would not be available for action until after the financial audit was complete. Of note, the cash drawdown is approximately \$25,000 less than what was budgeted. The year-end cash balance was \$8,337,387. T. Pinder reviewed the usage by class and indicated over all power costs were nearly \$675,000 less than what was budgeted for 2015. The complete financial reports for December 2015 will be presented in March after the audit has been completed. Directors C. Melton/R. Simpson moved to accept the financial report as given.
Vote: Unanimously approved
3. **Accounts Payable:** T. Pinder provided descriptions on a number of payments and provided clarification on additional transactions. Directors D. Baker/R. Simpson moved to approve the Accounts Payable as presented. *Vote: Unanimously approved*
4. **Salary Administration – Non-Union Employees:** Director Price recused himself from Action Items 4 & 5 due to prospective conflict of interest.

S. Wendelschafer presented a summary of Employee Benefits. She continued with the background for the proposed salary administration for non-union employees. A review of the results from the 2015 NWWH Salary Survey revealed 13 positions are outside the +/- band of 6% of the maximum range that is used to evaluate positions. As a result, consideration should be given to reclassify the positions as follows::

- Accounting & Finance Manager from R20 to R21 – no employee currently in position
- Administrative Assistant for Administration, Energy Services, Engineering, and Operations from R4 to R6
- Business Systems Analyst II from R12 to R14 – no employee currently in position
- Energy Services Supervisor from R14 to R16
- Executive Assistant from R7 to R9
- Help Desk Analyst from R7 to R8
- Information Technology Manager from R17 to R18 – no employee currently in position
- Programmer Analyst II from R14 to R15 – no employee currently in position
- Building Specialist redlined at R2 – no employee currently in position
- Energy Specialist III/Key Accounts redlined at R12 – no employee currently in position

The results also revealed four new positions should be slotted as follows:

- Customer Accounts Supervisor/Business Systems Analyst II slotted in R14
- Engineering Supervisor slotted in R17
- Technology Supervisor slotted in R15
- Human Resources Generalist slotted in R15

Director Carter asked who was involved in reviewing the salary survey. It was conducted by J. Nguyen & S. Wendelschafer. Director Baker noted Tillamook employees were given a 2% increase and Central Lincoln received 2.7%. Directors D. Baker/C. Melton moved to choose Option 1:

a. **Wage Adjustment:** 2.35% wage adjustment for all non-represented positions effective February 1, 2016.

b. **Salary Changes:** Implement salary changes effective February 1, 2016.

Vote: Yes—Directors J. Carter, D. Baker, C. Melton, R. Simpson; Director Price was recused.

Deferred Compensation – Roth 457(b) Plan: T. Pinder reviewed the background of the deferred compensation policy. The PUD has an option to amend the plans to allow Roth (post-tax) contributions. This is another opportunity for the PUD to assist employees in planning for retirement, therefore improving employee benefits. There are no additional costs to the PUD with this change. Directors C. Melton/R. Simpson moved to Amend the Deferred Compensation Plan Agreements with AIG and Nationwide to allow Roth Contributions, effective February 1, 2016. *Vote: Yes—Directors J. Carter, D. Baker, C. Melton, R. Simpson; Director Price was recused.*

Executive Session:

A brief recess was called at 6:35 p.m. The Board reconvened in executive session at 6:36 p.m. under ORS 192.660(2)(h), consultation with counsel concerning legal rights and duties

regarding current litigation or litigation likely to be filed. The following were present: Directors: D. Baker, R. Simpson, C. Melton, J. Carter; Staff: J. Nguyen, H. Ralls; General Counsel: P. Griffin; Special Counsel: K. Morrow; Press: D. Patterson, Chronicle; Courtney Vaughn, Spotlight.

The Board reconvened in regular session at 7:01 p.m.

5. **Signature Authorization: Local Government Investment Pool (LGIP):** J. Nguyen explained Rick Lugar is currently listed as authorized signer to approve additions and/or deletions for LGIP accounts. As Interim General Manager, John Nguyen should be the authorized signer. Directors C. Melton/D. Baker moved to authorize John Nguyen, Interim PUD General Manager as the authorized signer to approve additions and/or deletions for the Oregon Local Government Investment Pool accounts. *Vote: Unanimously approved*
6. **Bid Authorization – Flaggers:** B. Staehely provided background on the need to go out for Bid for Flaggers. Directors D. Baker/C. Melton moved to authorize staff to solicit sealed bids for flagging services for 2016 and 2017 with the bid opening to be held at the office of Columbia River PUD on February 25, 2016 at 3:30 p.m. pacific prevailing time. Director Carter expressed it was a good idea to go out for bid and asked E. Crape his thoughts on the current flaggers. E. Crape said they do a good job and are very responsive. *Vote: unanimously approved.*
7. **Policy 1-11: Board of Directors Governance – New:** J. Nguyen - reviewed timeline of how the draft policy progressed over the years with no action taken. On January 11, P. Griffin facilitated a Board workshop to discuss and review a Draft copy of the policy which was provided to the Board two weeks prior to the meeting. J. Nguyen explained that the policy before the Board today is an updated draft that incorporates input received from the Board at the workshop.

Director Simpson stated that in his opinion, the policy is a good start but it requires additional review. His specific concerns are there are too many unrelated subjects that should be separated and sections that are duplicates of existing policies and or public records and meetings law.

Director Baker expressed concerns that there are duplicative policies. He would like to go slower in creating the final policy. Director Carter indicated the Board had a 1/2 day workshop with a full day set aside, there were no comments at the workshop about needing more time. This is a good policy. J. Nguyen indicated this policy compliments existing policies. Director Melton reminded the Board that it was brought back to the Board by reasons of insurance requirements and it was gone through line by line at the Workshop. Directors C. Melton/J. Carter moved to adopt Resolution 16-01: In the matter of adopting the Board of Directors Governance Policy 1-11 as presented. *Vote: Yes: Directors J. Carter, C. Melton, H. Price; No: Director Simpson, Director Baker – motion passes.*

8. **December 21, 2015 Windstorm Outage Related Expenses:** J. Nguyen explained the current purchase policy allows the General Manager to award quotes or bids up to \$50,000 without Board approval and allows the General Manager to award public contracts for services without the need to go through the process of obtaining competitive quotes or bids in emergency

situations. In anticipation of receiving multiple invoices related to the windstorm outage which may exceed the \$50,000 limit staff is requesting authorization for the General Manager to approve all invoices that are related to the December 21, 2015 windstorm outage which exceeds the \$50,000 limit without having to return to the Board for additional approval. Directors C. Melton/H. Price moved to authorize the General Manager to pay for all invoices on services related to the December 21, 2015 windstorm outage that exceeds the \$50,000 limit.
Vote: unanimously approved

C. ITEMS FOR DISCUSSION

1. Reports:

a. Outages: B. Staehely gave a presentation on the December 21, 2015 Windstorm entitled "*The Worst I've Ever Seen*" December 21-25 Power Outage, What it took to get the lights back on. The highlights of information included 36 pages of priority notes, roughly 80% of customers affected, three CRPUD crews plus 10 crews from eight additional utilities: Emerald PUD, Salem Electric, Clatskanie PUD, Tillamook PUD, Potelco, Clark Public Utilities, PGE, and BPA. These additional crews all echoed the same sentiment – CRPUD is the place to go if aiding another utility, the crews are treated very well. Other support staff put in 1,100 hours answering phones, dispatching, scouting lines, keeping the warehouse stocked, and many other duties. Retirees, Board members, families, and community offered tremendous support through donating food; preparing and delivery of meals as well as operating a warming center at the PUD. CRPUD launched a Facebook account gathering 1,200 followers in the first few days.

Final tally of statistics: 15,405 customers affected, 154 roads reporting lines down - 113 miles of downed lines; 44 broken/damaged poles; and the average length of outage was 21.5 hours.

There is potential for a FEMA Reimbursement. FEMA completed a Preliminary Damage assessment on January 14. If approved, there is potential for up to \$400,000 in reimbursement for CRPUD.

Director Carter expressed his appreciation to staff and was impressed how everyone worked together. As a former lineman not exposed to the inside work, he shared his appreciation for staff taking phone calls, they were all handled professionally. He also expressed gratitude to J. Odenthal and Jack Carter for assisting a veteran whose service line had been torn from his home.

- b. Write-offs:** B. Anicker reported January's net write-off is \$871.39. This is large compared to 2015 but is in line with typical winter months.
- c. Staff:** L. Calnon reported a large attendance at the Chamber of Commerce Coffee Klatch. She received tremendous feedback on quick response in the outage and positive comments on the Facebook page which provided more information.

2. **Board Comments:** Director Baker wished Becky Anicker very well in her new endeavor. He reported on the January 15 OPUDA Board meeting. BPA indicated the salmon run is bigger than ever. He reported Cable Huston provided some interesting information in regard to marijuana grow operations. Director Simpson noted a total load of 250 Megawatts from grow operations is expected by 2035 in the Pacific Northwest according to the presentation.

Director Melton conveyed his surprise to learn two Board members were aiding in the collection of signatures for the recall petition. He has received comments from customers who say Director Baker and his son said what Director Melton was doing was criminal and should be recalled along with other disparaging remarks. Melton asked Director Baker to address the comments. Director Simpson stated he did not say anything derogatory. He indicated he received some requests for a petition from individuals at church so he got them and returned for signatures. Director Baker indicated he didn't think he said anything like that.

Director Carter expressed surprise at the list of signatures and at the large percent collected by Director Baker, his brother Joe, and son Riley. He noted the main petitioners collected very few signatures. Director Carter stated his personal opinion as Jake Carter, it is not very professional to collect signatures for this recall.

3. **Public Comment:** Debbie Esterline addressed Director Baker regarding how many employees he had talked with in the last few months. He indicated he had asked three: two of which would not email him for fear of their job and one who would not sit next to him or talk to him for fear of their job. D. Esterline expressed concern with conflicting reports in the newspaper regarding Director Baker's concerns with past management and current issues.

Ronda Melton inquired about the number of years Director Baker and Director Simpson had been provided health insurance through the PUD. She also shared concern with quotes individuals have said come from Director Baker and his son in regard to the petition for recall.

Joe Lewis expressed his concern that the Board is in violation of Public Meetings laws in regard to the Executive Session notification at this meeting.

Jack Carter stated the Board needs to find a way to work together. Director Simpson responded that the only trouble he has is the lack of communication between Directors. He commented that if he doesn't like the discussion he will still support what the Board decides.

Michelle Lamma reported that out of the eight and a half years as an employee, the last six months have been the best days of work. She offered praise to management and the Board. She expressed her disappointment in how issues presented to the previous Board were handled.

Dave Ehrenkranz reiterated the only issues he addressed was the replacement of S. Hursh and the replacement of R. Lugar as Interim General Managers. He indicated that those topics do not appear as discussion items in Board Minutes and were not discussed in Executive Session and were not added to the agenda appropriately. He conveyed his appreciation for the work the Board is trying to do and his appreciation of the work employees are doing.

Director Simpson indicated he told each Interim General Manager that he was not going to micro-manage them, it is not the Board's job. Director Carter agreed but indicated that his vote is for what is in the best interest of the PUD.

Director Carter asked Mr. Ehrenkranz if either a Board member or Press is telling him what was discussed in Executive Session. D. Ehrenkranz replied his information came from Executive Session Minutes.

Director Baker commented that he did exactly what was required in regard to M. Lamma's complaint, he gave it to General Counsel in accordance with policy.

Todd Cathers declared his support for J. Nguyen, current staff & Craig Melton. He indicated in the 10 years working here he has never seen the PUD more efficient as right now and declared the response to the December outage was the best response he's ever seen. He continued that the healing process has started and would hate to see that torn down.

Mark Larson offered gratitude to each and every one who helped with the outage: the office crew, line crews, to Eli managing all the other crews, and to Directors Carter and Melton for giving up family time to help out while other Directors were out collecting signatures for a recall.

Judy Kellar, in response to Mr. Ehrenkranz's statement about agenda items not being added appropriately suggested if it's the Board President's responsibility, perhaps the recall should be of the President of the Board at that time and not Director Melton.

Ian Lamma commented on how Director Baker handled M. Lamma's complaint then asked Director Baker if he ever discussed the current employee concerns mentioned with other Board members, current management, or general counsel. Director Baker said no. I. Lamma stated that if employees are concerned with their jobs, it needs to be addressed.

Nancy Ward suggested management follow through with the employee survey.

There being no further business to come before the Board, the meeting was adjourned at 8:48 p.m.

Columbia River People's Utility District

By Heidi Ralls
Heidi Ralls, Board Secretary